

By: Lindsay

S.B. No. 1725

A BILL TO BE ENTITLED

AN ACT

relating to the North Harris County Regional Water Authority.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (d), Section 2.02, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, is amended to read as follows:

(d) At the first election after each time the voting districts are redrawn~~+~~

~~[(1) five new]~~ directors shall be elected to represent the ~~[single-member]~~ voting districts of the members of the board whose terms expire next after the districts are redrawn~~+~~ and

~~[(2) the directors elected shall draw lots to determine their terms so that:~~

~~[(A) two directors serve two-year terms, and~~

~~[(B) three directors serve four-year terms].~~

SECTION 2. Section 5.05, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, is amended to read as follows:

Sec. 5.05. FUNDING BY OTHER DISTRICTS. (a) The authority shall develop a procedure for cooperatively funding a project of the authority with money from other political subdivisions located entirely [districts] inside [of] the authority's boundaries, and may develop a procedure for cooperatively funding a project of the authority with money from political subdivisions located in whole or in part outside the authority's boundaries, water supply

1 corporations, or other private entities, if the authority project
2 fulfills a governmental purpose of both the authority and other
3 political subdivisions, or fulfills a governmental purpose of the
4 authority that the authority determines would be furthered by
5 cooperative funding from a private entity [~~districts~~].

6 (b) Not later than the 90th day before the date the
7 authority issues bonds, other than refunding bonds, to finance a
8 project, the authority shall provide written notice of the
9 authority's intention to issue the bonds to each political
10 subdivision located entirely [~~district~~] inside [~~of~~] the
11 authority's boundaries that may be benefited or affected by the
12 project. The notice must include the value of the bonds planned to
13 be issued, a description of the project the bonds would finance, and
14 a schedule of the estimated portion of the project costs financed by
15 the bonds that may be allocated to each political subdivision
16 [~~district~~] benefited or affected. [~~The schedule must be prepared~~
17 ~~by means of a formula certified by the authority's engineer.~~]

18 (c) A political subdivision [~~district~~] may enter into a
19 contract with the authority for the political subdivision
20 [~~district~~] to finance a portion of the proposed project with the
21 political subdivision's [~~district's~~] resources instead of using
22 only the proceeds from bonds of the authority for that purpose. The
23 contract must be executed before the authority issues the bonds. As
24 provided in the contract, the authority may [~~must~~]:

25 (1) reduce the value of the bond issuance to the degree
26 that the political subdivision [~~district~~] provides project
27 funding; and

1 (2) credit the political subdivision [~~district~~] for
2 its contribution to the project financing and adjust the allocation
3 of revenue pledged to the payment of the bonds so that the authority
4 avoids using, to a degree reasonably commensurate with the
5 contribution, revenue from the political subdivision [~~district~~] to
6 service the authority's bond debt or interest.

7 (d) The amount stated in the notice under Subsection (b) of
8 this section is the estimated portion of the project costs that may
9 be allocated to each political subdivision benefited or affected by
10 the project as of the time of the notice. The authority is not
11 obligated to make any refund to a political subdivision that
12 provides cooperative funding if the political subdivision's
13 estimated portion of the project costs is greater than the
14 political subdivision's portion of the actual costs incurred by the
15 authority for the project. If the political subdivision's
16 estimated portion of the project costs is less than the political
17 subdivision's portion of the actual costs incurred by the authority
18 for the project, the authority may recover the political
19 subdivision's portion of the actual costs of the project using the
20 same method as the authority used to recover its costs from
21 political subdivisions that did not participate in cooperative
22 funding.

23 (e) The authority is not required to provide the notice
24 required by Subsection (b) of this section with respect to a bond
25 issue, or to implement the procedure developed under Subsection (a)
26 of this section with respect to a bond issue, if the board
27 determines that any condition exists that renders cooperative

1 funding impractical, including an existing or anticipated
2 emergency or the intention to issue an amount of bonds that would
3 render cooperative funding uneconomic or that would unreasonably
4 increase the cost of issuance relative to the amount of the proposed
5 bond issue.

6 SECTION 3. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2003.